



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 2, 2012**
FROM: FINANCE DEPARTMENT **ITEM NO: 21**
WARDS: ALL

SUBJECT: INVESTMENT SUMMARY AND FINANCIAL REPORTS - AUGUST 31, 2012

ISSUE:

The item for City Council consideration is receipt of the monthly financial reports and an investment summary.

RECOMMENDATION:

That the City Council receive these reports.

BACKGROUND:

Sound investment practices are essential to good fiscal management. The Finance Director/Treasurer is responsible for managing the City's investment portfolio. Cash flow is monitored on a daily basis and unexpended cash is directed towards investments that exhibit first safety, then liquidity and an appropriate return on investment. The investment results are summarized and reported to the City Council at each month-end.

Sound management practices include monitoring revenue and expenditures against the City Council approved budget. Financial reporting is suspended pending the closing of the accounts for the fiscal year and completion of the independent audit.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Scott Catlett, Assistant Finance Director
Certified as to availability
of funds: Brent A. Mason, Finance Director/Treasurer
Approved by: Brent A. Mason, Finance Director/Treasurer
for Scott C. Barber, City Manager
Approved as to form: Gregory P. Priamos, City Attorney

Attachment:

1. Investment Reports



CITY OF RIVERSIDE
Schedule of Cash and Investments
August 31, 2012

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	COST BASIS	YIELD ON MATURITY	ESTIMATED MKT VALUE
<u>MONEY MARKET ACCOUNTS</u>							
CALTRUST Investment Trust of California	Varies	Varies	AA	Varies	10,275,020.45	0.37%	10,275,020.45
CALTRUST Heritage Money Market Fund - Select Class	Varies	Varies	AAA	Varies	1,057,045.96	0.14%	1,057,045.96
CNI Charter Government Money Market Fund - Class N	Varies	Varies	Aaa	Varies	759,801.84	0.01%	759,801.84
Local Agency Investment Fund	Varies	Varies	NR	Varies	88,393,290.76	0.35%	88,393,290.76
Bank of America	Varies	Varies	Coll. ¹	Varies	12,504,041.46	0.25%	12,504,041.46
Citizens Business Bank	Varies	Varies	Coll. ¹	Varies	5,014,147.87	0.35%	5,014,147.87
SUBTOTAL MONEY MARKET ACCOUNTS					118,003,348.34		
<u>CERTIFICATES OF DEPOSIT</u>							
Medallion Bank (FDIC Gtd)	0.80%	04/15/13	FDIC ²	10/15/10	247,845.23	0.90%	248,511.38
GE Money Bank (FDIC Gtd)	1.75%	07/23/13	FDIC ²	08/06/10	246,712.58	1.88%	249,932.14
Ally Bank (FDIC Gtd)	1.80%	08/06/13	FDIC ²	08/06/10	246,766.29	1.90%	249,906.20
Cache Valley Bank (FDIC Gtd)	1.30%	08/12/13	FDIC ²	08/10/10	161,689.85	1.51%	163,948.37
Enterprise Bank & Trust (FDIC Gtd)	1.55%	08/12/13	FDIC ²	08/12/10	248,681.04	1.69%	251,990.99
BMW Bank of North America (FDIC Gtd)	1.60%	08/13/13	FDIC ²	08/13/10	247,761.02	1.70%	250,967.07
Compass Bank (FDIC Gtd)	1.00%	09/30/13	FDIC ²	09/30/11	248,000.00	1.00%	248,966.21
Farm Bureau Bank (FDIC Gtd)	0.90%	10/15/13	FDIC ²	10/15/10	248,718.61	1.00%	249,689.73
Franklin Security Bank (FDIC Gtd)	0.95%	10/15/13	FDIC ²	10/15/10	247,859.87	1.00%	248,821.62
Essa Bank & Trust (FDIC Gtd)	1.00%	10/21/13	FDIC ²	10/20/10	248,000.00	1.00%	248,133.92
Headwaters State Bank (FDIC Gtd)	1.00%	10/25/13	FDIC ²	10/25/10	249,000.00	1.00%	251,400.86
Wilmington Trust Company (FDIC Gtd)	1.35%	10/29/13	FDIC ²	10/29/10	245,000.00	1.35%	247,390.71
Middleton Community Bank (FDIC Gtd)	1.00%	11/27/13	FDIC ²	10/27/10	248,697.36	1.10%	251,692.44
Boji Federal Bank (FDIC Gtd)	1.10%	05/06/14	FDIC ²	04/13/12	249,405.53	1.00%	251,291.55
CiT Bank (FDIC Gtd)	2.30%	05/12/14	FDIC ²	09/30/10	248,978.83	1.57%	252,005.60
USAmeriBank (FDIC Gtd)	1.15%	05/19/14	FDIC ²	04/13/12	249,633.06	1.00%	251,235.27
Gulf Coast Bank & Trust (FDIC Gtd)	1.25%	05/20/14	FDIC ²	04/13/12	150,368.06	1.11%	151,342.65
Aurora Bank FSB (FDIC Gtd)	1.50%	05/23/14	FDIC ²	05/23/11	248,000.00	1.50%	250,280.61
Heritage Bank of Commerce (FDIC Gtd)	1.00%	05/27/14	FDIC ²	04/13/12	108,000.00	1.00%	108,973.30
GE Capital Financial Inc (FDIC Gtd)	1.45%	06/10/14	FDIC ²	06/10/11	246,779.27	1.50%	248,968.59
Discover Bank (FDIC Gtd)	1.35%	06/16/14	FDIC ²	06/15/11	246,777.59	1.40%	249,026.39
Access National Bank Reston (FDIC Gtd)	1.00%	06/23/14	FDIC ²	04/13/12	249,000.00	1.00%	251,061.72
Valley National Bank (FDIC Gtd)	0.60%	07/28/14	FDIC ²	08/01/12	244,765.40	0.65%	244,475.45
Sovereign Bank (FDIC Gtd)	0.85%	08/01/14	FDIC ²	08/01/12	245,000.00	0.85%	244,392.64
Sallie Mae Bank (FDIC Gtd)	0.90%	08/08/14	FDIC ²	08/08/12	245,000.00	0.90%	244,324.53
American Express Centurion Bank (FDIC Gtd)	1.20%	08/11/14	FDIC ²	08/11/11	247,515.40	1.30%	249,704.50
Goldman Sachs Bank USA (FDIC Gtd)	1.15%	08/25/14	FDIC ²	08/24/11	247,506.52	1.25%	249,026.47
Flushing Savings Bank (FDIC Gtd)	1.60%	10/07/14	FDIC ²	10/07/10	248,482.65	1.71%	253,793.25
Safra National Bank (FDIC Gtd)	1.00%	11/17/14	FDIC ²	11/16/11	247,230.30	1.14%	249,551.49
Barclays Bank/Delaware (FDIC Gtd)	1.25%	12/15/14	FDIC ²	12/14/11	248,000.00	1.25%	249,457.74
World Financial Capital (FDIC Gtd)	1.00%	01/23/15	FDIC ²	12/23/11	248,689.92	1.06%	250,414.07
EnerBank USA (FDIC Gtd)	2.45%	07/07/15	FDIC ²	09/29/10	201,932.25	2.11%	207,511.80
National Republic Bank (FDIC Gtd)	1.40%	08/05/15	FDIC ²	08/05/11	249,000.00	1.81%	249,693.71
Bank of the West/San Francisco CA (FDIC Gtd)	1.40%	09/14/15	FDIC ²	09/15/11	249,000.00	1.40%	253,002.92
Wells Fargo Bank NA (FDIC Gtd)	0.95%	04/29/16	FDIC ²	04/29/11	247,000.00	1.75%	242,986.25
SUBTOTAL CERTIFICATES OF DEPOSIT					8,300,796.63		
<u>MEDIUM TERM NOTES</u>							
General Electric Capital Corp	1.88%	09/16/13	AA+ / A1	10/25/10	5,018,428.32	1.52%	5,070,130.00
General Electric Capital Corp	1.88%	09/16/13	AA+ / A1	10/25/10	5,018,428.32	1.52%	5,070,130.00
General Electric Capital Corp	5.90%	05/13/14	AA+ / A1	02/07/12	5,405,176.19	1.07%	5,438,715.00
Rabobank Nederland	4.20%	05/13/14	AA / Aa2	07/10/09	5,031,722.27	3.81%	5,243,720.00
Berkshire Hathaway Finance Corp	4.85%	01/15/15	AA+ / Aa2	10/13/11	7,535,869.55	1.55%	7,702,002.00



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August 31, 2012

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Wells Fargo Bank NA	4.75%	02/09/15	AA+ / A1	05/17/10	10,263,304.66	3.61%	10,815,110.00
General Electric Capital Corp	1.63%	07/02/15	AA+ / A1	07/05/12	10,013,272.84	1.58%	10,175,410.00
Toyota Motor Credit Corp	2.80%	01/11/16	AA- / Aa3	09/16/11	10,285,143.80	1.92%	10,585,570.00
SUBTOTAL MEDIUM TERM NOTES					58,571,345.95		
U.S. GOV'T AGENCY							
Federal Home Loan Bank	3.63%	10/18/13	AA+ / Aaa	02/23/09	10,115,477.50	2.58%	10,379,060.00
Federal National Mortgage Association	2.88%	12/11/13	AA+ / Aaa	03/12/09	10,025,029.38	2.67%	10,338,660.00
Federal Home Loan Bank	2.38%	03/14/14	AA+ / Aaa	03/04/11	5,066,539.62	1.49%	5,161,705.00
Federal National Mortgage Association Pool	4.81%	01/01/13	AA+ / Aaa	05/29/09	837,943.76	3.17%	835,746.98
Federal National Mortgage Association Pool	4.85%	06/01/13	AA+ / Aaa	06/26/09	4,726,977.04	3.14%	4,764,624.49
Federal National Mortgage Association Pool	4.55%	06/01/13	AA+ / Aaa	10/21/09	11,591,048.47	2.56%	11,664,293.95
Federal Home Loan Mortgage Corporation Pool	4.00%	09/01/13	AA+ / Aaa	12/16/08	837,621.85	3.85%	845,118.04
Federal National Mortgage Association Pool	5.16%	10/01/13	AA+ / Aaa	07/15/09	7,064,454.93	2.92%	7,193,571.32
Federal Home Loan Mortgage Corporation	4.50%	04/02/14	AA+ / Aaa	08/24/09	4,094,522.48	2.96%	4,261,592.00
Federal Home Loan Mortgage Corporation	2.50%	04/23/14	AA+ / Aaa	08/21/12	7,254,134.04	0.28%	7,258,496.00
Federal Home Loan Bank	5.38%	06/13/14	AA+ / Aaa	08/24/09	5,206,006.62	2.98%	5,449,545.00
Federal Home Loan Mortgage Corporation	1.00%	08/20/14	AA+ / Aaa	12/27/11	10,068,163.74	0.65%	10,127,670.00
Federal National Mortgage Association	3.00%	09/16/14	AA+ / Aaa	02/17/11	1,022,337.13	1.88%	1,056,034.00
Federal Home Loan Mortgage Corporation	2.88%	02/09/15	AA+ / Aaa	08/21/12	7,430,734.68	0.34%	7,425,103.00
Federal National Mortgage Association	1.00%	04/24/15	AA+ / Aaa	10/24/11	20,000,000.00	1.00%	20,017,800.00
Federal National Mortgage Association	2.38%	07/28/15	AA+ / Aaa	02/06/12	8,423,306.14	0.54%	8,458,824.00
Federal National Mortgage Association	5.00%	03/15/16	AA+ / Aaa	08/21/12	8,086,821.85	0.56%	8,102,066.00
Federal Home Loan Mortgage Corporation	2.50%	05/27/16	AA+ / Aaa	02/06/12	8,513,238.31	0.76%	8,575,848.00
Federal National Mortgage Association	1.25%	01/30/17	AA+ / Aaa	05/17/12	5,063,095.36	0.96%	5,137,625.00
Federal National Mortgage Association	1.13%	04/27/17	AA+ / Aaa	05/17/12	3,010,930.22	1.04%	3,058,122.00
Federal National Mortgage Association	1.13%	04/27/17	AA+ / Aaa	07/05/12	5,046,545.88	0.92%	5,096,870.00
Federal Home Loan Mortgage Corporation	2.00%	08/25/16	AA+ / Aaa	02/06/12	7,319,930.91	0.83%	7,393,610.00
Federal National Mortgage Association	1.25%	09/28/16	AA+ / Aaa	02/06/12	8,127,558.52	0.85%	8,225,664.00
Federal National Mortgage Association	1.38%	11/15/16	AA+ / Aaa	12/27/11	10,065,148.33	1.22%	10,317,410.00
Federal National Mortgage Association	1.25%	01/30/17	AA+ / Aaa	07/05/12	5,076,807.33	0.89%	5,137,625.00
Federal Home Loan Mortgage Corporation	1.00%	03/08/17	AA+ / Aaa	05/17/12	4,999,529.78	1.00%	5,063,325.00
Federal Home Loan Mortgage Corporation	1.75%	09/10/15	AA+ / Aaa	02/06/12	5,177,244.22	0.57%	5,204,490.00
Federal Home Loan Mortgage Corporation	4.75%	01/19/16	AA+ / Aaa	08/29/11	11,233,727.98	1.03%	11,436,170.00
SUBTOTAL U.S. GOV'T AGENCY					195,484,876.07		
TOTAL INVESTMENTS					380,360,366.99		
MISCELLANEOUS CASH					55,000.00		
TOTAL CASH & INVESTMENTS					380,415,366.99		

It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 02/21/2012. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the pool investment portfolio is 1.72 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 1.175%.

Verified by: Jason E. Al-Imam
 Jason E. Al-Imam, Controller

Approved by: Brent A. Mason
 Brent A. Mason, Finance Director/Treasurer

1 Collateralized in accordance with Section 53652 of the CA state code.
 2 Rated Superior by IDC Financial Publishing, Inc.

CITY OF RIVERSIDE
POOLED CASH AND INVESTMENTS BY FUND
AUGUST 31, 2012

Electric Fund	208,508,923
Sewer Fund	11,445,007
Transportation Funds	9,963,956
General Fund	3,744,517
Redevelopment Agency	26,386,832
Trust Funds	17,965,004
Water Fund	73,645,549
Park and Recreation Capital Improvement Funds	1,500,132
Internal Service Liability and Workers' Compensation Funds	1,519,281
Other Miscellaneous Funds	25,736,166
Total Cash and Investments	<u>380,415,367</u>